

Increase in Cryptocurrency Mining in Region 3

Date Prepared: 1/28/22

Divisions involved: ARD

Attendees:

Issue: There has recently been increased public interest in the environmental impacts of large-scale cryptocurrency mining in Region 3 (R3), as several existing and potentially new facilities are being used for the process.

Ex. 5 Deliberative Process (DP)

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Location: Pennsylvania, potentially West Virginia and the other R3 states.

Facilities Impacted:

1. Stronghold Digital Mining (Stronghold) currently owns two Pennsylvania waste coal fired power plants, Scrubgrass and Panther Creek (85 and 80 MW respectively) and runs them as Bitcoin mining operations.
 - Stronghold is currently in negotiations to buy a 3rd facility.
2. Marion Energy Partners LLC has applied to construct a “data processing facility” in Morgantown West Virginia, which the Charleston Gazette Mail reports is “believed to be designed to provide electricity for cryptocurrency mining”.
 - The facility will be located on a natural gas well pad.
3. The Pennsylvania department of environmental protection (PADEP) has also reported the construction of Bitcoin mining sites on well pads.

Background:

1. Cryptocurrency mining, such as Bitcoin mining, is an extremely energy intensive process which can generate profits through the acquisition of digital currency.
2. Cryptocurrency miners use large amounts of electricity to power banks of computer hardware, which solve complex computations that occasionally result in the acquisition of a new cryptocurrency unit, for example a Bitcoin, which is currently valued at approximately \$40,000.
3. Cryptocurrency mining poses environmental concerns, as older power generating sources, often coal fired, may now be utilized for the practice even if their profitability in providing electricity for the power grid has been waning.
4. On January 18th Earth Justice and Penn Future sent a letter to PADEP, with EPA R3 ARD and the Office of the Governor of Pennsylvania CC'd, requesting that several avenues for regulating or curtailing the emissions of cryptocurrency mining be pursued.
 - The letter requests essentially stricter enforcement of already existing regulations for EGU's.
 - The eastern bituminous coal refuse category for 40 CFR 63.10042 (MACT UUUUU) mentioned in the letter depends on a facility's capacity, not its current levels of generation, and if the facility is still burning waste coal, it is unlikely this categorization would change.
5. Stronghold is among a group of Bitcoin mining companies who received letters from a group of lawmakers led by Senator Elizabeth Warren on January 27, 2022, enquiring about their electricity use and projected carbon emissions.

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Applicable Regulations:

d: Normal

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